



COUNTY OF LOS ANGELES
Internal Services Department

1100 North Eastern Avenue
Los Angeles, California 90063



Dave Lambertson
Director

To enrich lives through effective and caring service.

Telephone: (323) 267-2101
FAX: (323) 264-7135

June 9, 2005

Agenda Date: June 21, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST FOR APPROVAL OF
SIX CUSTODIAL SERVICES AGREEMENTS
(ALL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that custodial services can be more economically performed by independent contractors than by County employees.
2. Approve and instruct the Chair of the Board to sign the attached Agreements with Southern Building Maintenance, Inc., Reliable Building Maintenance, Inc., Premier Building Maintenance, Diversified Maintenance Services, Diamond Control Services, Inc., and Come Land Maintenance Co. Inc., to provide custodial services at 154 buildings for 17 County departments and the Superior Courts for a period of three (3) years, with two (2) one-year renewal options and six (6) month-to-month extensions. The estimated first year cost for these Agreements is \$12,372,813. The Agreements are effective upon approval by your Board and service will commence at the discretion of the County.
3. Delegate authority to the Director of the Internal Services Department (ISD), or his designee, to approve and execute all renewal options, extensions, and change notices, including adding and deleting facilities and approving necessary changes to the scope of services, pursuant to the terms of the Agreements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

ISD currently contracts for custodial services for 17 County Departments and the Superior Courts at 154 buildings throughout the County. The current Agreements

expire on September 11, 2005 and the Director of ISD has the authority to extend the contracts for an additional month. Therefore, ISD's authority to obtain custodial services under the current Agreements expires October 11, 2005. The recommended actions will ensure that these facilities continue to receive custodial services with no lapse in service.

The work has been divided into six (6) geographic regions with one Agreement recommended for award for each region. This approach minimizes the risk to the County from any contractor defaults and this model has proven to promote effective management of the work. Based on past experience, there are occasions during the term of the Agreements when the scope of service at an individual facility needs to be changed, facilities need to be added or deleted, or a contractor must be replaced. Approval of recommendation 3 will provide ISD with the ability to efficiently handle these situations as follows:

- Scope of service changes will be negotiated with the site contractor with appropriate adjustments made to the associated Agreement.
- Contracted services for additional facilities in the same region will be negotiated with the regional contractor based on hourly rates set forth in the Agreement.
- Replacement of a contractor will be accomplished by competitively bidding the service requirements to the remaining regional contractors. The resulting services will be added to the applicable Agreements by an amendment executed by the Director of ISD or designee.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed contracts support the County Strategic Plan Goals, No. 1 for Service Excellence, by providing efficient and responsive services and No. 4 for Fiscal Integrity by acquiring services in a cost-effective manner.

FISCAL IMPACT/FINANCING

The first year cost of the six (6) contracts is estimated at a total cost of \$12,372,813. The ISD approved FY 2004-2005 budget and the requested FY 2005-06 budget contain sufficient funding to cover the first year annual expense for the Agreements. ISD's Agreement costs will be recovered by billing the County departments using the contracted services.

The County cost to provide the services included in the recommended Agreements for one year is estimated to be \$15,456,704. The total annual contract cost for service to all six (6) regions is estimated to be \$12,372,813. County cost savings, which will result from the recommended contracts, is estimated to be \$3,083,891 annually. The Auditor-Controller has approved the cost analysis which demonstrates that these contracts are cost effective (Attachment 1).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The proposed Agreements will commence on approval by your Board and service will begin at the discretion of the County for a period of three (3) years, with two (2) one-year renewal options and six (6) month-to-month extensions. Prices are fixed for the initial three-year term. The contracts allow for a cost of living adjustment (COLA) to during the fourth and fifth years, if the option to renew is exercised. The Agreements contain the standard County language pertaining to COLAs, which states: 1) the Contract amount may be adjusted annually based on the local area Consumer Price Index (CPI) for the most recently published percentage change for the 12-month period preceding the contract anniversary date, which shall be the effective date for any cost of living adjustment; 2) any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period; and 3) should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries, no cost of living adjustments will be granted is consistent with the County's COLA policy.

All of the recommended contractors have agreed to the County's terms and conditions. The Agreements contain all of the Board, CAO, and County Counsel required provisions, including the County's Child Support Compliance Program, consideration of GAIN/GROW participants, Contractor Non-responsibility and Debarment, Contractor Employee Jury Service and Safely Surrendered Baby Law. The attached Agreements have been reviewed and approved as to content by County Counsel. All recommended companies have met the Living Wage requirements.

CONTRACTING PROCESS:

On October 28, 2004, ISD released a Request For Proposals (RFP) for custodial services and posted the solicitation and contracting opportunity announcement on the County's "Doing Business with Us" web site (Attachment 2). Notice of the RFP was sent by electronic mail to 207 vendors registered with the County (Attachment 3). In addition, the contracting opportunity was advertised in The Daily News, The Korean Central Daily, La Opinion, and The Los Angeles Sentinel.

Thirty-three (33) companies attended the Proposers' Conference on November 16, 2004. Twenty (20) proposals were received. Four (4) proposals were disqualified as non-responsive due to material omissions of required information and sixteen (16) proposals were evaluated. The Evaluation Committee consisted of representatives from the Department of Public Works (DPW), the Probation Department and ISD. Debriefings were offered to all of the non-selected proposers and six (6) of them requested debriefings. There were no protests resulting from this solicitation.

The recommended vendors were determined to have the most responsive and responsible proposals. A summary of the Community Business Enterprise (CBE) Information provided by each recommended vendor is attached (Attachment 4). On final consideration, selections were made without regard to gender, race, creed, color, or national origin.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommendations will provide for continuation of needed custodial and related services at a wide variety of County buildings in compliance with your Board's Living Wage Program requirements.

Following execution of the Agreement by your Board, please return to the department two (2) executed copies of each Agreement.

Respectfully Submitted,



Dave Lambertson
Director

DL:DB:kh
Attachments (4)

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller